

The background features a light gray grid with numerous realistic water droplets of varying sizes. A large, solid green jagged shape, resembling a stylized staircase or a mountain peak, is positioned on the right side of the image.

Performance Management
Presentation to employees
December 2006



What is new about our performance management program?

- ▶ Performance ratings *and pay increases* are determined by your results.
- ▶ Measurable goals are the foundation of this new program.
- ▶ The objective of the program is continuous improvement—reaching higher targets each year.

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Performance Appraisals Delivered in 2007!

► When?

- January 2007 for front-line employees
- April 2007 for PAT 3 and above, SAMPAT, and executives

► How?

- You meet with your supervisor to review your annual performance evaluation.
- You learn what performance increase you will receive.
- You and your supervisor develop your work profile for 2007.

Performance Evaluation Schedule

	<u>Evaluation Period</u>	<u>Pay Raise Received</u>
January Eligible Employees	1/1/06 – 12/31/06	Jan 17 , 2007 ("B") Jan 24, 2007 ("A")
April Eligible Employees	4/1/06 – 3/31/07	April 11, 2007 ("B") April 18, 2007 ("A")

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Your Performance Evaluation

- ▶ Did you have a work profile for 2006?
 - If so, the performance expectations on the evaluation should be the same as on the work profile.
 - If you did not have a work profile, your supervisor could use performance expectations contained in your job description.
 - For 2007, every employee should have a work profile.



Your Performance Evaluation

- ▶ **What does the overall rating reflect?**
 - It measures the results of your work (Performance Expectations) and how you performed the work (General Factors).
 - It is not a mathematical formula—your management decides how important each performance expectation is and what additional general factors to include, beyond the standard factors.

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Your Performance Evaluation

- ▶ What does a rating of “Meets Expectations” mean?
 - It means that you are meeting *ALL* significant performance expectations of your job.
 - It is a very good rating!
 - Most employees will receive this rating and receive a 4% pay increase—*double* what the general salary adjustment was last year.



Your Performance Evaluation

- ▶ Who receives a rating of “Exceeds Expectation”?
 - Only those employees who are exceeding *ALL* significant performance expectations of their job.
 - These are the employees we often think of as the “superstars.” How many of these do you know???

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Your Performance Evaluation

- ▶ What if you receive an overall rating of "Does Not Meet Expectations....are you about to be fired?"
 - No! But the ball is in your court to make some changes.
 - This rating is given to any employee who is not meeting any *one or more* significant performance expectations of their job.
 - You will be given a work improvement plan to address the area(s) not performed up to par.
 - You are expected to bring your performance up to expectations and if you don't, there will be consequences.

Why are we doing this?

- ▶ This program enables managers to more precisely define the work to be performed to meet the agency's strategic objectives.
- ▶ It differentiates performance and the rewards that are associated with performance.
 - Exactly opposite of our old practices where everyone treated the same--pay increases now depend on what you accomplish.

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Distribution of Expected Ratings

- ▶ More than 30,000 employees will participate in this program.
- ▶ We expect to see a normal distribution of ratings, using accepted statistical methods.
- ▶ That means that about 80% of the workforce will be in the Meets Expectations category, which covers a broad range of performance. About 10% will be at each end.



Why is the Distribution Important?

- ▶ The money available for these increases is not a *bottomless pit!* Because of the generous pay increases tied to this program, if our results don't mirror a normal distribution, we will not have enough money to reward our employees.
- ▶ There is no reason to think the state employee population is different from a normal distribution.
- ▶ Supervisors and managers are still learning how to measure performance in this new system and the distribution is a good check on whether we are doing it correctly.
- ▶ But common sense will always prevail!

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This program requires employee involvement

- ▶ Performance management is an interactive process done *with* an employee, not *to* an employee.
- ▶ Employees need to understand their role.



Employee Role

- ▶ Be involved in establishing your work profile
 - Ask questions to make sure you understand each performance expectation and general factor.
 - Be sure you completely understand how each performance expectation and factor will be measured, what result will earn a rating of "Meets Expectation"
 - If you don't have a work profile within the first month of the "review year" keep asking when you can meet to put one together.

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Employee Role

- ▶ Bring to your supervisor's attention, conditions or circumstances that are changing during the review year, which could impact your ability to complete a performance expectation.
- ▶ Ask your supervisor periodically how you are doing and ask for at least one meeting mid- way through the review period to review how your performance is measuring up.



Employee Role

- ▶ If you disagree with the performance rating you received
 - Check to see if you achieved results which are not included on the evaluation—remember that this is an evaluation of results, not activities.
 - Discuss with your supervisor any questions you have about what is on the evaluation.
 - Seek out a member of your agency HR department to discuss.

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Promotions/Transfers During Review Year

- ▶ Your performance evaluation is an appraisal of your *entire year* of performance.
 - What if promoted and move to a new agency?
 - What if transferred to a new agency and no work profile existed in the old agency?
 - What if still on a working test for a new merit position, even though worked for the State the entire year.
- ▶ Both agencies must contribute to the evaluation. Typically, an agency will send an interim evaluation when an employee transfers.

New Hires and Rehires

- ▶ Those employed at least 6 months will be reviewed on schedule with their peers, but any potential increase will be pro rated down to reflect less than a full year of performance.
- ▶ Those employed less than 6 months will wait until next year to be reviewed and any potential increase will be pro-rated up to reflect more than 12 months of performance.



Further questions after today?

- ▶ Talk with your supervisor, your agency human resources professional or log onto the performance management web page:

http://www.in.gov.jobs/employeerelations/perf_app_info.html